

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER 01-15	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: July 1, 2001	

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐
AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT a. FFY '01 \$ 3,000,000 b. FFY '02 \$ 11,000,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 32 and Page 33	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 32 and Page 33

10. SUBJECT OF AMENDMENT:

Prescribed Drugs

11. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL:	16. RETURN TO: ILLINOIS DEPARTMENT OF PUBLIC AID 201 SOUTH GRAND AVENUE, EAST SPRINGFIELD, IL. 62763-0001 ATTENTION: John Rupcich
13. TYPED NAME: Jackie Garner	
14. TITLE: DIRECTOR	
15. DATE SUBMITTED JUNE 22, 2001	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 6/22/01	18. DATE APPROVED: 9/19/01
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL: Cheryl A. Harris
21. TYPED NAME Cheryl A. Harris	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

DMCH - IL/IN/OH

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE -
BASIS FOR REIMBURSEMENT

3. RURAL HEALTH CLINICS: Depending on type of clinic in which services are provided. Hospitals and encounter rate clinics: same as described in 1 and 2, respectively. For others and for non-Medicare covered services, fee-for-service subject to Department's established pricing screens.
- 7/01 4. PRESCRIBED DRUGS:
Effective December 15, 2000, July 1, 2001, pharmacies will be reimbursed for prescribed drugs on the following basis: the lower of either their usual and customary charge to the general public, or the lower of :
 - 7/01 a. Single and multiple source legend products for which the average wholesale price is actual market average wholesale price - actual market wholesale cost plus dispensing fee
 - 7/01 b. Other single source legend products - standard package size AWP of NDC on claim, less ~~10~~11%, plus a dispensing fee ~~or the wholesale acquisition cost plus 8% plus a dispensing fee~~
 - 7/01 c. Other multiple source legend products not approved for generic interchange by the Illinois Department of Public Health - standard package size AWP of NDC on claim, less ~~12~~ 20% plus a dispensing fee ~~or wholesale acquisition cost plus 12% plus a dispensing fee~~ or HCFA FUL plus a dispensing fee
 - 7/01 d. Other multiple source legend products approved for generic interchange by the Illinois Department of Public Health, ~~but not on the HCFA FUL list~~
 - standard package size AWP of NDC on claim, less 12%, plus a dispensing fee ~~or a State upper limit plus a dispensing fee~~ or ~~wholesale acquisition cost plus 12% plus a dispensing fee~~
 - standard package size AWP of NDC claim, less ~~12~~ 20% plus a dispensing fee, ~~or State Upper Limit plus a dispensing fee~~ or HCFA FUL unit price plus a dispensing fee ~~or wholesale acquisition cost plus 12% plus a dispensing fee~~
 - 7/01 ~~d. Multiple source legend products approved for generic interchange by the Illinois Department of Public Health, and on the HCFA FUL list~~

Attachment 4.19-B
Page 33State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

12/00 DISPENSING FEES: Dispensing fees are based on a flat rate methodology of ~~\$4.17~~ \$4.00 for brand name and \$5.10 for generic drugs.

~~HCFA FUL limits will not be imposed on Schedule II, Controlled Substances, due to the Illinois Triplicate Prescription Program or products not approved for generic interchange by the Illinois Department of Public Health. When such generic products are approved for interchange by the Department of Public Health, (MAC) prices will be imposed in accordance with 4. above.~~

7/98 The use of some generic prices lower than the HCFA FUL, as described in 4 above, will ensure that aggregate reimbursement will not exceed the overall limits imposed by the HCFA FULs.

Drug prices are updated weekly utilizing a tape procured from the First Data Bank of San Bruno, California.

5. OVER-THE-COUNTER DRUGS: Lesser of the usual and customary charge to the general public or the Wholesale cost plus up to 50 percent.

6. OTHER LABORATORY AND X-RAY SERVICES: Lesser of the usual and customary charge to the general public or statewide maximums established by the Department not to exceed the upper limits specified in Federal regulations.

7. PHYSICIAN'S SERVICES: Reimbursement for physician services are at the physician's usual and customary charges, not to exceed the maximum established by the Department. Initially, maximum fee-for-service rates were established in 1978 when the Department reviewed the average charges for each of the allowable services. The Department agreed to set the statewide maximum amount at 70 percent of the average charge by physician. Annually the Department analyzes cost information and procedure code utilization of physician bills presented for Medicaid reimbursement of services rendered. The rate maximums are periodically adjusted based upon the above factors.

4/93- Providers statewide who meet the participation requirements for the Maternal and Child Health Program or qualify by the exception process receive enhanced reimbursement rates for services provided to pregnant women and children through age 20 who are participants in the MCH Program. The enhanced rates include:

- payment for performing a prenatal risk assessment (\$15);
- payment for performing risk assessments on children (\$15);
- increased reimbursement for deliveries (\$400 additional);
- a \$10 increase in the EPSDT screening rate; and
- an 8 percent increase in the reimbursement rate for office visits for children.